



Financial performance analysis of Reliance Industries Limited

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Abstract

This study analysis the financial performance of Reliance Industries Limited (RIL) over the financial years 2014–15 to 2023–24. The research examines the company's financial position through key indicators such as Profitability, liquidity, solvency and efficiency ratio on return on capital employed. As one of India's largest and most diversified corporate entities, RIL has experienced significant expansion across energy, petrochemicals, retail, telecommunications, and emerging businesses during the period under review. The study is based on secondary data obtained from annual reports and published financial statements of the company. The main emphasis in this study has been given to evaluate the financial performance of Reliance Industries Limited with the respect to measure the impact of Profitability, liquidity, solvency and efficiency ratio on return on capital employed. Moreover, for testing the hypotheses of the study researcher run multiple regression analysis on SPSS. The findings are expected to provide insight into the company's financial stability, strategic progress, and capacity to sustain long-term growth. This analysis is useful for investors, researchers, managers, and policy makers interested in the financial health of large Indian conglomerates.

Keywords: Financial performance, multiple regression analysis, profitability, liquidity, solvency, efficiency ratio on return on capital employed

Introduction

Financial performance analysis is a systematic process used to evaluate a company's Profitability, efficiency, liquidity, and solvency over a given period. It enables stakeholders to understand whether the organization is using its resources effectively and maintaining a stable financial position. In the case of large diversified companies, financial performance analysis becomes particularly important because business outcomes are shaped by multiple segments, changing market conditions, and strategic investment decisions.

Reliance Industries Limited is one of the most significant corporate houses in India, with operations spanning hydrocarbons, petrochemicals, refining, retail, digital services, and new energy initiatives. Over the last decade, the company has undergone substantial transformation, making it an important subject for financial evaluation. The period from 2014–15 to 2023 [6, 15]–24 is especially relevant because it covers both expansionary phases and major structural developments in the company's business model. A study of this period helps reveal how RIL adapted to market shifts and maintained its financial strength.

The present study aims to assess the financial performance of Reliance Industries Limited over the selected ten-year period using data from its annual reports and financial statements. The analysis focuses on identifying trends in Profitability, liquidity, solvency, and efficiency in order to evaluate the company's overall financial soundness. Such an investigation is valuable for understanding the long-term financial trajectory of the company and for drawing broader conclusions about the performance of major Indian conglomerates.

Financial Performance: Concept

The financial performance is the blue print of the financial affairs of a business concern. And, it reveals how a business

has prospered under the leadership of its management. Its shows that the act of performing the financial activity of organization. In other words, we can say that the financial objective of the firm has been achieved or not. In broader sense, it is a process of measuring the result of a firm's policies and operations in a monetary term. The financial performance is also useful for the measurement of the overall financial health of the organization over a given period of time. This technique is also playing a vital role for the comparison with other industry. Therefore, financial statements are significant analytical tools for the manager of the business. Moreover, the finance is the base for every business activity. Hence, it is essential to analyze the financial performance of the company with their financial statement.

In my opinion, "Finance is the Oxygen for the business. As life is not possible on the Earth without Oxygen, same as business could not survive without the finance."

Reliance Industries Limited: A Profile

Reliance Industries Limited (RIL) is India's largest private sector company and a Fortune Global 500 enterprise headquartered in Mumbai. It operates across hydrocarbon exploration and production, petroleum refining and marketing, petrochemicals, advanced materials, renewables, financial services, retail, and digital services, and reported consolidated revenue of ₹10,00,122 crores and net profit of ₹79,020 crores for the year ended 31 March 2024.

Reliance Industries Limited was founded by Dhirubhai H. Ambani and has grown into one of India's most influential conglomerates. The company began as a trading venture and later expanded into textiles, before diversifying into energy and other high-growth sectors. Over time, it built a strong presence in refining, petrochemicals, telecom, retail, and

new energy businesses, making it a key driver of India's industrial and digital transformation.

RIL is widely recognized for its scale, diversification, and strategic investments. It is ranked among the top global companies in major international listings and continues to play an important role in India's economy through employment, infrastructure creation, and large-scale business operations.

Review of Literature

Several researchers have conducted studies on the financial performance of Reliance Industries Limited using different analytical tools and time periods. Priya Thenissery, Vidya Chandrasekar, & Suman Mishra (2023) ^[9] analysed the company's financial statements from 2017 to 2022 using trend percentage and ratio analysis, including sales, operational profit, and net profit ratios. Their study concluded that the company-maintained stability in its financial and fixed assets and suggested maintaining positive cash flow for sustained profitability. Similarly, Pirakatheeswari & Dinesh (2024) ^[8] examined the company's financial stability through ratios such as profit ratio, return on capital, earnings per share, and debt-equity ratio, concluding that the company recorded consistent profits from 2021 to 2023, though there was a slight increase in the debt-equity ratio, indicating higher debt levels. Dharshini & Sabari Nanthan (2023) ^[1] focused on identifying the financial strengths and weaknesses of the company using current ratio, debt-equity ratio, inventory turnover, and profitability ratios for the period 2017–2022. Their study recommended improving liquidity by increasing current and quick ratios. In a related study, Lakshmi, Afrin Banu, & Divya (2023) evaluated the liquidity, profitability, and solvency of the firm using ratios such as working capital turnover, return on equity, and return on assets, revealing weak working capital management and suggesting a reduction in current liabilities to enhance liquidity. Priyanka & Alok (2021) ^[10] investigated the relationship between financial leverage and profitability of Reliance Industries from 2016 ^[2] to 2021 using correlation and regression analysis. They found a significant negative relationship between leverage and net profit ratio but a positive relationship with earnings per share, return on equity, and return on assets, indicating that increasing debt does not adversely affect profitability. Manoj & Balanalakshmi (2023) ^[7] assessed the financial position of Reliance Industries between 2018 and 2022 through balance sheet and income statement analysis, concluding that although the company experienced fluctuations, it achieved a stable income and maintained a moderate financial position. Mangi & Jaishree (2023) ^[6] emphasized the importance of financial statements in understanding the firm's assets, liabilities, and equity for the years 2020–2021, highlighting their role in identifying financial strengths, weaknesses, and future prospects. Finally, Reddy (2024) ^[11] analysed the profitability, liquidity, and overall financial status of Reliance Industries using gross profit, net profit, and debt-equity ratios, concluding that studying the company's financial performance provides valuable insights for investors, managers, and policymakers in making informed financial decisions.

Research Gap

From the above review of empirical works, it is clear that the researcher has approached the various aspects of analysis of financial performance. The survey of various

review of literature indicates that, many studies have been conducted to analysis the financial performance of many industries. But, researcher couldn't come to across to evaluate the financial performance of Reliance Industries Limited with respect to measure the impact of liquidity, solvency and efficiency ratio on return on capital employed. Therefore, to cover the gap in the earlier studies, the present is undertaken to give an insight into the financial performance of Reliance Industries Limited by attempting to offer a detailed examination of the profitability, liquidity, solvency and efficiency and, identifying the relationship between liquidity, solvency and efficiency with profitability in this study.

Objectives of the Study

1. To evaluate the financial performance of Reliance Industries Limited in respect of Liquidity, Solvency, Efficiency and profitability.
2. To measure the impact of Liquidity, Solvency and Efficiency on Return on Investment.
3. To suggest effective remedial measures for overcoming the weaknesses, if any.

Hypotheses of Study

In order to measure the impact of Liquidity, Solvency and Efficiency on Return on Investment of the Reliance Industries Limited the following hypotheses have been formulated:

Ho1: There is no significant impact of Current Ratio on ROCE.

Ho2: There is no significant impact of Liquid Ratio on ROCE.

Ho3: There is no significant impact of Debt Equity Ratio on ROCE.

Ho4: There is no significant impact of Long-Term Debt Equity Ratio on ROCE.

Ho5: There is no significant impact of Interest Coverage Ratio on ROCE.

Ho6: There is no significant impact of Inventory Turnover Ratio on ROCE.

Ho7: There is no significant impact of Debtors Turnover Ratio on ROCE.

Methodology of the Study

This study is based on secondary data. Researcher has taken the data of ten years from 2014-15 to 2023 ^[1, 15]-24 for the financial performance analysis of Reliance Industries Limited. The non-financial data has been excluded in this study. Researcher has personally collected the data from the various sources like published annual reports of the Reliance Industries Limited since 2014 ^[15] from its websites. In this study, researcher used multiple regression analysis for the testing of the hypotheses. In order to measure the impact of liquidity, solvency and efficiency on return on investment. The researcher has taken return on capital employed as a dependent variable under return on investment. The independent variable in liquidity, solvency and efficiency ratio are selected as current ratio, quick ratio, debt-equity ratio, long term debt equity ratio, interest coverage ratio, debtor turnover ratio, inventory turnover ratio respectively on the basis of previous studies. Moreover, the researcher has tested the hypotheses with help of multiple regression analysis on SPSS.

Liquidity Ratio: The liquidity refers to the ability of a business concern to meet its current obligations without any delay.

Current Ratio: It is a calculated by dividing the current assets by current liability. It measures the short-term financial condition of the firm. The ratio of 2 to 1 is considered satisfactory for the organization.

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

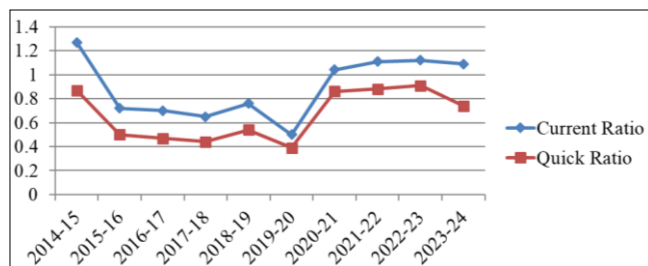
Quick Ratio: The Quick ratio indicates the relationship between liquid assets and current liabilities. An asset is liquid if it can be converted into cash immediately. Generally, a quick ratio of 1 to 1 is considered to represent a satisfactory current financial condition.

$$\text{Quick Ratio} = \frac{\text{Current Assets} - (\text{Stock} + \text{Prepaid Expenses})}{\text{Current Liability}}$$

Table 1: Liquidity Ratio (In time)

Year	Current Ratio	Quick Ratio
2014-15	1.27	0.87
2015-16	0.72	0.50
2016-17	0.70	0.47
2017-18	0.65	0.44
2018-19	0.76	0.54
2019-20	0.50	0.39
2020-21	1.04	0.86
2021-22	1.11	0.88
2022-23	1.12	0.91
2023-24	1.09	0.74

Annual Reports of RIL from 2014-15 to 2023-24



Source: Drawn from Table 1

Fig 1: Liquidity Ratio

Analysis

The table no.1 shows that current ratio of the company is below the standard norms of the current account ratio i.e. 2:1 and quick ratio i.e. 1:1. In the year 2014 [15]-15, the current ratio is recorded highest during the study period i.e. 1.27 and 0.50 is lowest in the year 2019-20. On the other hand, in terms of quick ratio the maximum and minimum is 0.91 and 0.39 in the year 2022-23 and 2019-20 respectively. With the help of analysis researcher has found that the liquidity position of the RIL is not meeting with the standard norms of the liquidity ratio. The figure 1 displays the graph of the current ratio and quick ratio from 2014 [15]-15 to 2023-24. On the X-axis the the number of years is plotted and on the Y-axis the value of ratios. Moreover, the figure indicates the actual position of the current and liquid ratio.

Solveny Ratio: The word “solveny” refers to the abiity of a concern to meet its long-term debts or obligations.

Debt Equity Ratio: The debt equity ratio indicates what proportion of debt and equity is using to finance to assets. The debt equity ratio is aslo known as external to internal equity ratio.

$$\text{Debt Equity Ratiio} = \text{Debt} / \text{Equity}$$

Interest Coverage Ratio: This ratio measures the firms’ ability to make contactual interest payment. It defines the relationship between operating profit or earning before interest and taxes to fixed interest charges on loan (Khan and Jain, 2005) [14].

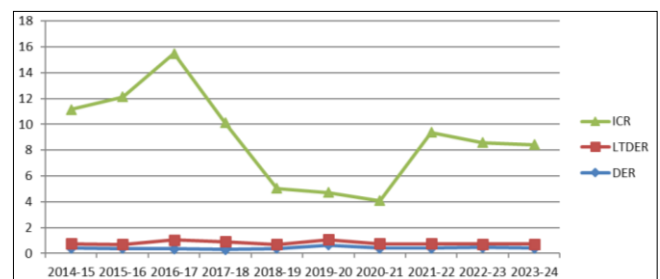
Long Term Debt – Equity Ratio: It indicates the relationship between long term debt to equity.

$$\text{Long Term Debt-Equity Ratio} = \text{Long Term Debt} / \text{Equity}$$

Table 2: Solveny Ratio (In Times)

Year	DER	LTDER	ICR
2014-15	0.41	0.35	10.38
2015-16	0.38	0.32	11.43
2016-17	0.35	0.69	14.45
2017-18	0.31	0.59	9.21
2018-19	0.39	0.30	4.34
2019-20	0.65	0.43	3.63
2020-21	0.41	0.35	3.33
2021-22	0.41	0.35	8.60
2022-23	0.45	0.28	7.86
2023-24	0.41	0.31	7.71

Annual Reports of RIL from 2014-15 to 2023-24



Source: Drawn from Table 2

Fig 2: Solveny Ratio

Analysis

The table no.2 reveals that the RIL's DER demonstrated relative stability over the decade, remaining below 0.65 throughout. The ratio started at 0.41 in2014-15, improved to its lowest point of 0.31 in 2017-18, and then increased to a peak of 0.65 in 2019-20. By 2023-24, the DER stabilized at 0.41, indicating a return to earlier levels. This suggests that RIL has maintained a conservative leverage position, with the company relying more on equity financing relative to debt.

The LTDER showed greater volatility compared to the overall DER. The ratio peaked significantly at 0.69 in 2016-17, before declining to more moderate levels. Over the latter years, the LTDER remained subdued, reaching 0.28 in 2022-23 and settling at 0.31 in 2023-24. This decline in long-term debt relative to equity suggests improved long-term financial stability.

The ICR presents the most concerning trend in RIL's solveny profile. The ratio began strong at 10.38 times in 2014 [15]-15 and peaked at 14.45 times in 2016-17, indicating robust capacity to service interest obligations. However, a sharp deterioration occurred from 2018-19 onwards, with the ICR declining to 4.34 times (2018-19), 3.63 times (2019-20), and reaching a critical low of 3.33 times in 2020-21. While there has been a recovery to 7.71

times by 2023-24, this remains significantly below the earlier peak and indicates reduced interest-paying capacity. RIL's solvency position shows mixed signals: The company maintains a healthy and stable debt-to-equity structure, but the declining interest coverage ratio suggests increased pressure on profitability relative to interest obligations, particularly during the 2018-2021 period. The recovery in ICR by 2023-24 is a positive indicator, but continued monitoring is warranted.

The figure 2 display the graph of the debt equity ratio, long term debt equity ratio and interest coverage ratio from 2014 [15]-15 to 2023-24. On the X-axis the value of the number of years are plotted and on the Y-axis the ratios are indicating.

Efficiency Ratio: Funds are invested in many assets in a business to make sales and generate profits. And, the efficiency of an asset are mnaged directly affetc to volume of sales. The greater the amount of sale and profit indicates the better management of assets.

Inventory Turnover Ratio: The inventory turnover ratio shows the efficiency of the firm in order to production of the firm and the selling of its product. It indicates the relationship between cost of goods sold and average inventory. Moreover, a high inventory turnover ratio indicates good inventory management.

Inventory Turnover Ratio = Cost of good sold / Average Inventory

Debtors Turnover Ratio: A firm sells their goods and services for cash as well as credit. Basically, to sell goods

and services in credit is a kind of marketing tools in the hands of the companies.

Debtors Turnover Ratio = Credit Sales / Average Debtors

Investment Turnover Ratio: It defines how efficiently a company is using their debt and equity to generate revenues. Higher the ratio indicates more efficient the company. The company can raise capital in ways one is to issue shares and borrow money from creditors. Debt includes both long as well as short term securities.

Investment Turnover Ratio = Revenues / Equity + Debt

Fixed Asset Turnover Ratio: It is an activity ratio that explain how an efficient manner a company using their fixed assets in generating revenues.

Fixed Assets Turnover Ratio = Net Revenue / Average Fixed Assets

Total Assets Turnover Ratio: The total assets turnover ratio evaluates the capability of a firm to use their assets to smoothly generate sales.

Total Turnover Ratio = Net Sales / Total Assets

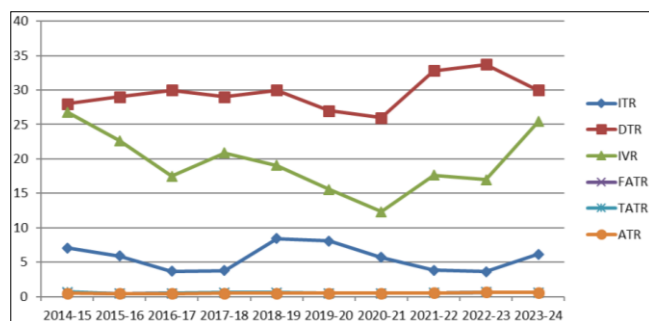
Assets Turnover Ratio: It defines the value of a company's sales generated relative to the value of its assets. The asset turnover ratio often used as an indicator of the efficiency with which a company is deploying its assets in generating revenue.

Assets Turnover Ratio = Sales / Total Assets

Table 3: Efficiency Ratios (In Time)

Year	ITR	DTR	IVR	FATR	TATR	ATR
2014-15	7.05	28	26.8	0.59	0.69	0.48
2015-16	5.89	29	22.65	0.46	0.46	0.46
2016-17	3.67	30	17.50	0.49	0.52	0.46
2017-18	3.78	29	20.85	0.56	0.60	0.52
2018-19	8.43	30	19.04	0.53	0.58	0.48
2019-20	8.09	27	15.54	0.50	0.52	0.48
2020-21	5.72	26	12.33	0.49	0.48	0.50
2021-22	3.81	32.82	17.65	0.56	0.56	0.56
2022-23	3.63	33.71	16.97	0.63	0.63	0.63
2023-24	6.16	30	25.43	0.59	0.60	0.58

Annual Reports of RIL from 2014-15 to 2023-24



Source: Drawn from Table 3

Fig 3: Efficiency Ratio

Analysis

RIL's efficiency ratios show a mixed but generally stable operating pattern, with noticeable improvement in the most recent year, 2023-24. The strongest signs of operational

efficiency are the recovery in inventory turnover and the steady improvement in asset turnover ratios.

The Inventory Turnover Ratio fell from 7.05 in 2014 [15]-15 to 3.63 in 2022-23, then improved to 6.16 in 2023-24. This suggests inventory movement weakened over much of the period but recovered sharply in the latest year.

The Debtors Turnover Ratio stayed broadly in the 26–34 range, rising to 33.71 in 2022-23 before easing to 30 in 2023-24. This indicates RIL has generally maintained good collection efficiency and did not face major deterioration in receivables management.

The Investment Turnover Ratio declined from 26.8 in 2014 [17]-15 to 12.33 in 2020-21, then rose again to 25.43 in 2023-24. The trend points to slower investment conversion in the middle years, followed by a strong recovery.

The Fixed Asset Turnover Ratio moved from 0.59 in 2014 [15]-15 to a low of 0.46 in 2015-16, then improved to 0.63 in 2022-23 and remained high at 0.59 in 2023-24. This shows better use of fixed assets over time, especially in the last few years.

The Total Asset Turnover Ratio was weak in the early years at 0.46–0.52, but improved to 0.63 in 2022-23 and stayed strong at 0.60 in 2023-24. This means RIL has been generating more sales per unit of total assets recently. [ppl-ai-file-upload. s3. amazonaws]

The Asset Turnover Ratio followed a similar pattern, staying around 0.46–0.50 for several years and rising to 0.63 in 2022-23 before settling at 0.58 in 2023-24. This suggests overall asset utilization became more efficient in the later period.

RIL’s efficiency ratios indicate that asset utilization, fixed asset use, and receivables management are reasonably strong, while inventory efficiency was weaker in the middle years but improved again in 2023-24. In simple terms, the company appears to have become more efficient in using its resources to generate sales, especially in the latest two years.

Profitability Ratio: The profitability of a company can be defined as its capability to generate income which exceeds its liabilities. The profitability is defined as a substitution of financial performance. And, it is one of the main objectives of the management of the organization.

Gross Profit Ratio: It defines the relationship between gross profit to net sales.

$$\text{Gross Profit ratio} = \text{Gross Profit} / \text{Net Sales} \times 100$$

Operating Ratio: The operating ratio defines the association between cost of goods sold and other operating expenses divided by net sales. The ratio evaluated the cost of operations per rupee of sales.

$$\text{Operating Ratio} = \text{Operating Cost} / \text{Net Sales} \times 100$$

Net Profit Ratio: The net profit explains the association between net profit after tax and net sales of the firm. Moreover, it indicates the efficiency of the management of the company in terms of manufacturing, selling, administrative and the different activities of the firm.

$$\text{Net Profit Ratio} = \text{Net Profit After Tax} / \text{Net Sales} \times 100$$

Return on Investment: When Profitability ratios are computed with the help of investments is known as return on investment. According to literature there are three broad categories of return on investment are:

1. Return on Assets
2. Return on Capital Employed
3. Return on Shareholder’s Equity

Return on Assets: It defines the relationship between net profit after tax and assets are used in the business to generate profits. The return on assets is used to evaluate the profitability of the assets of a firm.

$$\text{Return on Assets} = \text{Net Profit After Tax} / \text{Average Total Assets}$$

Return on Capital Employed: It indicates the relationship between profits and the capital employed. It is the key ratio to measure the overall profitability and efficiency of a business.

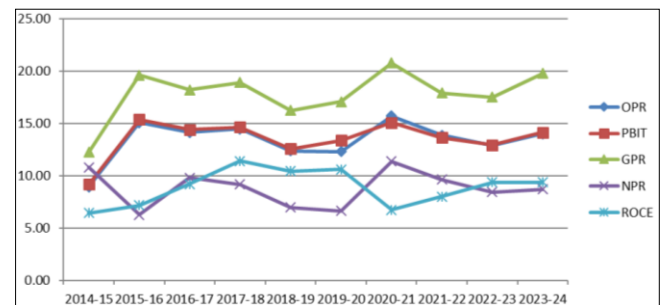
$$\text{ROCE} = \text{NOPAT} - (\text{WACC} \times \text{capital Employed})$$

Return on Shareholder’s Equity: It measure the return on the owners i.e. performance and equity shareholders’ investment in the firm. In other words, it defines return on owners’ funds.

Table 4: Profitability Ratio (In Percentage)

Year	OPR	PBIT	GPR	NPR	ROCE
2014-15	8.95	9.17	12.24	10.81	6.43
2015-16	15.09	15.39	19.61	6.29	7.18
2016-17	14.14	14.40	18.21	9.80	9.22
2017-18	14.47	14.65	18.92	9.19	11.42
2018-19	12.38	12.58	16.25	6.98	10.45
2019-20	12.30	13.38	17.09	6.65	10.62
2020-21	15.71	15.09	20.78	11.39	6.75
2021-22	13.88	13.65	17.91	9.65	8.02
2022-23	12.87	12.94	17.53	8.43	9.37
2023-24	14.00	14.14	19.78	8.72	9.38

Annual Reports of RIL from 2009-10 to 2018-19



Source: Drawn from Table 4

Fig 4: Profitability Ratio

Analysis

The table no.4 reveals that the operating profit ratio was highest in the year 2020-21 i.e. 15.71. Then it starts declining and reaches up to 12.87 in the year 2022-23. It may happen due fall in the sales. But after it is increased in 2023-24.

The gross profit ratio shows a very high fluctuation trend of RIL since 2009-10. The highest ratio of GPR is recorded in the year 2020-21 i.e. 20.78. After this year GPR is started to decline and touched 17.53 in the year 2022-23. It may be due to the rise of cost of goods sold. But after it is increased in 2023-24.

In the case of net profit ratio, the highest NPR is recorded in the year 2020-21. It also not shows a good result for the company. The net profit ratio remains less than 10% in various years.

The ROCE indicates the return on investment. The high ratio is considered beneficial for the company. The highest ROCE is found in the year 2017-18 i.e. 11.42. On the other hand, the lowest ROCE was recorded in the year 2014 [15]-15 i.e.6.43.

Hypotheses Testing

Table: Multiple Regression Analysis: Model Summary and Coefficient Table Model Summary

Variable	Coefficient	Std. Error	t-value	Sig.
Const	122.1498	99.5818	1.2266	0.3448
Current Ratio	-63.5871	40.7933	-1.5588	0.2594
Liquid Ratio	70.5316	45.9642	1.5345	0.2647

Debt Equity Ratio	10.5917	43.9433	0.2410	0.8320
Long Term Debt Equity Ratio	-91.2877	113.0714	-0.8073	0.5042
Interest Coverage Ratio	7.1983	4.9913	1.4422	0.2860
Inventory Turnover Ratio	-0.6831	6.2991	-0.1084	0.9235
Debtors Turnover Ratio	-11.8353	8.7366	-1.3547	0.3083

Results

Effect of multiple Ratios on return of capital employed

The present study used multiple regression analysis to examine the relationship between Return on Capital Employed (ROCE) and selected financial ratios of Reliance Industries Limited, namely Current Ratio, Liquid Ratio, Debt Equity Ratio, Long Term Debt Equity Ratio, Interest Coverage Ratio, Inventory Turnover Ratio, and Debtors Turnover Ratio. The purpose was to test whether these liquidity, solvency, and efficiency ratios significantly influence ROCE over the study period.

The regression model produced an R-squared value of 0.9735, which means the selected variables jointly explain a very large share of the variation in ROCE. The adjusted R-squared value of 0.8806 also shows that the model remains strong even after adjusting for the number of predictors. However, the ANOVA result gives an F value of 10.4846 with a significance value of 0.0898, indicating that the model is not statistically significant at the 5% level.

The coefficient results show that Current Ratio has a negative association with ROCE, while Liquid Ratio, Debt Equity Ratio, and Interest Coverage Ratio have positive associations. Long Term Debt Equity Ratio, Inventory Turnover Ratio, and Debtors Turnover Ratio show negative associations with ROCE. Even so, all p-values are greater than 0.05, which means none of the predictors is individually statistically significant.

This suggests that although the financial ratios together explain ROCE reasonably well, their individual effects are not statistically conclusive during the study period. It may therefore be inferred that other operational, strategic, or market-related factors also contribute to changes in ROCE for Reliance Industries Limited.

Hypothesis-Wise Conclusion

Ho1: There is no significant impact of Current Ratio on ROCE. The p-value is 0.2594, which is greater than 0.05. Therefore, Ho1 is accepted.

Ho2: There is no significant impact of Liquid Ratio on ROCE. The p-value is 0.2647, which is greater than 0.05. Therefore, Ho2 is accepted.

Ho3: There is no significant impact of Debt Equity Ratio on ROCE. The p-value is 0.8320, which is greater than 0.05. Therefore, Ho3 is accepted.

Ho4: There is no significant impact of Long-Term Debt Equity Ratio on ROCE. The p-value is 0.5042, which is greater than 0.05. Therefore, Ho4 is accepted.

Ho5: There is no significant impact of Interest Coverage Ratio on ROCE. The p-value is 0.2860, which is greater than 0.05. Therefore, Ho5 is accepted.

Ho6: There is no significant impact of Inventory Turnover Ratio on ROCE. The p-value is 0.9235, which is greater than 0.05. Therefore, Ho6 is accepted.

Ho7: There is no significant impact of Debtors Turnover Ratio on ROCE. The p-value is 0.3083, which is greater than 0.05. Therefore, Ho7 is accepted.

Overall Conclusion from Regression

The regression analysis indicates that the selected liquidity, solvency, and efficiency ratios do not have a statistically

significant individual impact on ROCE during the study period. At the same time, the high R-squared value suggests that these variables collectively explain a substantial part of the variation in ROCE. So, the model is useful for understanding the broad financial relationship, but it does not provide strong evidence to reject any of the null hypotheses at the 5% significance level.

Limitation of the Study

- The current study mainly based on secondary data.
- In the present study all the aspects of financial performance are not considered.
- The data has been arranged as per their own requirements.
- The present study covers the period of ten years only.
- This study gives the insight of RIL only.
- In this study, researcher does not compare the financial analysis with other firm of the same industry.

Abbreviations

CR = Current Ratio
DER = Debt Equity Ratio
ICR = Interest Coverage Ratio
ITR = Inventory Turnover Ratio
ROCE = Return on Capital Employed
PBIT = Profit Before Interest and Tax
NPR = Net Profit Ratio
FATR = Fixed Assets Turnover Ratio
ATR = Assets Turnover Ratio

QR = Quick Ratio
LTDER = Long Term Debt Equity Ratio
DTR = Debtors Turnover Ratio
PR = Proprietary Ratio
OPR = Operating Profit Ratio
GPR = Gross Profit Ratio
IVR = Investment Turnover Ratio
TATR = Total Assets Turnover Ratio

Conclusion and Suggestions

The study concludes that Reliance Industries Limited had an overall stable financial performance during 2014-15 to 2023 [6, 15]-24. Its solvency position was strong, but the liquidity position remained below the standard level for most of the period. The efficiency ratios also showed some fluctuation, which suggests scope for better asset and resource utilization. The company should focus on improving liquidity management and working capital efficiency. It should also strengthen inventory control, receivables management, and asset turnover. In addition, keeping finance costs under control will help improve overall profitability. For future research, comparing RIL with other companies in the same industry would provide better insights.

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